

Business Briefs

Drug Trafficking

Europe ignoring narcotics threat, says DEA head

Western Europe is being flooded with narcotics and European leaders are ignoring the threat, stated Robert Bonner, head of the U.S. Drug Enforcement Administration, in a speech at London's Royal Institute of International Affairs (Chatham House) on Dec. 1.

"Most of the European Community seems oblivious to the fact that western Europe has become a major export market for cocaine," said Bonner. An estimated 200 tons of cocaine were exported by the Colombian drug cartels into Europe last year. While drugs were mainly entering through various western European routes, drugs were also coming in "through the back door" via eastern Europe, especially Czechoslovakia and, to a lesser extent, Poland.

Bonner called on western governments to make fighting narcotics a primary foreign policy objective. He added, "I believe that the time is ripe for a third international conference this century on opium and heroin." The previous two conferences were held in 1907 and 1912.

It was curious and ironic that Bonner would make this proposal at Chatham House, which, historically, has been the in-house planning institute of the "Dope, Inc." crowd in Britain, the same circles who earlier in this century used international agencies and meetings to formalize the British imperial pro-drug strategy worldwide.

Demographics

Japanese birth rate shows negative growth

Japan's birth rate has fallen to a new low of negative growth, according to a mid-November report by the Economic Planning Agency, the London *Guardian* reported in late November.

The replacement rate (i.e., zero population growth) is 2.08 children per woman, and Japanese women are only having 1.35 children each—a significant level below replacement.

At this rate, Japan's population of 123 million will fall to 70 million by the end of the 21st century, the report states.

As early as 2020, the elderly, who now comprise about 12% of the population, will comprise 25% of the Japanese population.

Mercantilism

Europe must choose List, says French industrialist

Europe must choose the path of Friedrich List, rather than that of David Ricardo, if it wants to effectively counter the General Agreement on Tariffs and Trade (GATT), wrote Alain Gomez, president of the French electronics conglomerate Thomson-SA/Thomson-CSF, in an article in the Nov. 28 Paris daily *Le Monde* entitled "GATT Must Die."

Gomez argued that List is preferable if one believes in trade between *nations*, and must be based on "educative" protectionism. "One hundred and sixty years ago, in founding the Zollverein [Customs Union], Prussia chose List, which allowed for the emergence of Germany. Japan (later) did the same, which permitted it to become the leading world economic power. Europe will not exist if it does not take the same route: constitute itself as a commercial bloc, reserve its market to its founding members, then to those who aspire to rise to its level (Central Europe), then to those whose underdevelopment is also its problem (from North Africa to the Middle East)."

The free market theory, Gomez indicated, was concocted for the greater glory of the British Empire: "A theory is a tool which one uses or constructs to justify one's own ends, themselves determined by one's own interests. This was the case of the classical [economic] theory of the end of the 18th century which established the ideological, intellectual second coming of England as a first world power."

Gomez charged that the United States was historically protectionist, and only began championing "free trade" after the Second World War, when American supremacy was assured. Now, he said, it is time for Europe to "write the rules" that govern international trading relationships.

Central Asia

Economies face production problems, says Qichen

The current economic problems of the Central Asian republics lie in "how to adjust their old industrial structures to satisfy the daily needs of their peoples . . . not in privatization or the market economy," Chinese Foreign Minister Qian Qichen said in Moscow, the *China Daily* reported Nov. 28.

Qian, who had just completed a trip to Uzbekistan, Kyrgyzstan, and Kazakhstan before visiting Moscow, said that Chinese-Central Asian trade is hampered mainly by the lack of transport. Also, "the old economic systems set up under the economic plan of the former Soviet Union on the economic division of labor with Russia are not easy to change.

"Russia is in a different situation from that of the three Central Asian republics. Russians do not agree among themselves about the speed and ways of reform and are searching for better solutions," he said.

Foreign Debt

Nigeria business sector says payments must be cut

The business sector in Nigeria is insisting that foreign debt service payments be drastically cut. "External debt servicing remains the single largest expenditure item, and a major drain on the scarce foreign exchange resources," the Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (Naccima) said in a recent memorandum on the 1993 national budget.

"Such a high level of debt servicing is not healthy for the economy and cannot be sustained," it said. "Government should intensify its external debt management efforts to reduce the nation's debt service ratio to a maximum of 25% during the 1993 fiscal year." The 1992 budget pegged debt servicing at 30% of official foreign exchange earnings, but payments reached 43.5% by May.

Naccima director Lawrence Adekunle said that use of so much of Nigeria's hard cur-

rency earnings to repay debts denies it the means to mend its ailing economy. "You can kill the patient by not allowing him to have enough money to buy the drugs," he told Reuters on Nov. 4.

Russia

Khasbulatov attacks 'neo-liberal' monetarism

A scathing attack on the "neo-liberal" monetarist model of capitalism was delivered to the Seventh Russian Congress of People's Deputies by Ruslan Khasbulatov, head of the standing parliament, or Supreme Soviet, in a speech on Dec. 1.

Khasbulatov said that there were two broad directions for capitalism to take, one being the neo-liberal model and the other a socially oriented model, the latter having state sectors, a role for planning and state protection in the social sphere, and with private ownership, as opposed to "a tendency to privatize everything."

"Most European countries, Scandinavia, Israel, and Canada, as well as China and South Korea," and most of Ibero-America and the Middle East, all have a socially oriented model, Khasbulatov said. "It would be naive to try and ignore this tendency and Americanize our economy. . . . The most important task before this Congress is to choose between these two models of economic development."

Khasbulatov reported on discussions in the Supreme Soviet on getting Russia out of its current economic crisis, including proceeding "not from macro-economic stabilization . . . but from the need to improve the working and living conditions of the people," reversing the slump in production, incentives for reforms from below, priority development of the agricultural sector of the economy, including the regulation of food prices. Khasbulatov emphasized that "there is no developed country in the world that would abandon the policy of regulating prices in agriculture. . . . Thirty-two percent of the budget of the European Community is spent on regulating agricultural production." He also called for the development of small businesses, a working relationship among the President, the parliament, and the

government, and "precedence of national interests."

The speech was an indication of a growing consensus against Thatcherite monetarism and International Monetary Fund-style shock therapy.

On Dec. 2, Moscow Radio covered Tatiana Koryagina, a deputy from the anti-shock therapy bloc, who denounced the economic policies of the past year. The same destructive policies had been applied to the United States, and "because of these policies, Bush was defeated in the elections," she said.

Infrastructure

China inaugurates new Eurasian 'land bridge'

The People's Republic of China officially inaugurated a new "Eurasian land bridge" by sending the first freight train from the Yellow Sea port of Lianyungang on Dec. 1, to begin a 6,700-mile journey to Rotterdam in the Netherlands, Xinhua press agency reported.

The cargo train will be the first to make the full journey from the Pacific Coast of China to the Atlantic Coast of Europe. It will cross through the Alatau Pass over the new Chinese railroad connecting Urumqi in the Chinese region of Xinjiang with Alma Alta in Kazakhstan, which was finally officially opened in July after decades of delay. The rail route crosses Russia, Belarus, Poland, Germany, and Holland.

The land route from the Pacific to the Atlantic will reduce transport distance at least 4,900 miles compared to the sea route around Southeast Asia. "Economists said the line has provided an easy and fast transport passage for the two continents, and will greatly promote the exchange of economic and technical cooperation between East and West," Xinhua commented.

Another rail route through Central Asia to Constantinople is awaiting completion of a vital Iran-Turkmenistan link, to avoid the war-torn Caucasus region. The construction of one or more of several possible Eurasian land bridges has been featured in *EIR* (see July 17, p. 20 and Oct. 9, p. 34).

Briefly

● **THE QUÉBEC** government has decided to inoculate 1.65 million residents between the ages of six months and 20 years against meningitis, at a cost of \$16 million, the Dec. 3 *Toronto Globe and Mail* reported. Health Minister Marc-Yvan Côté said that it is the largest vaccination program any single government in the world has ever undertaken.

● **FOUR AFRICAN NATIONS**, Zimbabwe, Botswana, Malawi, and Namibia, are seeking to resume limited trading in ivory, Reuters reported Dec. 1. The Convention on International Trade in Endangered Species refused to lift a ban in March. Because of conservation programs, the countries have a surplus of elephants which they want to cull.

● **MONGOLIA** had only about four days' worth of diesel fuel left on Dec. 4, having failed to get additional foreign aid to fund fuel purchases. "There is no possibility to further decrease fuel consumption," said I. Dashkhagva, an official with the Petroleum Import and Supply Company, Reuters reported.

● **JAPAN**, under U.S. pressure, has agreed to buy four AWACS aircraft from Boeing, the daily *Yomiuri* reported on Dec. 5. Two years ago, Japan canceled a plan to buy four E-3A Sentry AWACS, based on the Boeing 707 airliner, because the manufacturer had doubled the price to about \$262 million.

● **FEMALE INMATES** in U.S. state and federal prisons tripled in number in the 1980s, from about 16,500 to over 48,000. If local and county jails are included, the number is closer to 90,000, the Nov. 30 *New York Times* reported.

● **SEX TOURS** are "suicide tours" because of AIDS, Thai minister Mechai Viravaidya told the BBC on Nov. 30. Instead of coming to Thailand for sex, "men should stay home and take rat poison," he said.